

Massive costs rise forces group to withdraw liners

London, Apr. 9.

One of Britain's major shipping group is withdrawing almost immediately four passenger-cargo liners from the South African-Europe trade "because of an unprecedented and massive rise" in operating costs.

The Ellerman Lines,

with a balance-sheet total of over £50 million, in announcing withdrawal, indicated that the last passenger sailing southbound was the "City of York" from London last Thursday, and the last sailing northbound from Cape Town would be on June 4.

The four ships all of

about 13,250 tons gross, were built in the early 1950's for about £3.5 million each. In addition to the City of York, the others are: City of Durban, City of Port Elizabeth, and City of Exeter. Each ship carries 107 passengers and has around 545,700 cubic capacity bale.

Other lines operating this service, including P and O and Furness Withy Hive also found this type of dual vessel uneconomic and taken them out of service.

The spokesman for the company said that there had been no question of lack of custom, as passengers have booked their passages well ahead.

It was already evident last December that such a move was afoot when the company announced it would no longer discharge homewards cargo from South Africa in London, because of escalating costs at the port.

Under the new Department of Trade requirements, the ships were due for an expensive survey this year, costing £150,000 to £20,000 each to bring them up to standing.

-A.P.